

Introduced by Senator Scott

February 22, 2005

An act to amend Section 69432.7 of, and to add Section 69505.3 to, the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 659, as introduced, Scott. Student financial aid: state-funded student financial aid: Scholarshare account balances.

Existing law, the Golden State Scholarshare Trust Act, establishes the Golden State Scholarshare Trust, under the administration of the Scholarshare Investment Board, to provide financial aid for postsecondary education costs of participating students on whose behalf sufficient payments have been made into a fund administered by the trust.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Under existing law, the commission, among other things, administers the Cal Grant Program, the Student Opportunity and Access Program, the Assumption Program of Loans for Education, the Graduate Assumption Program of Loans for Education, the Public Interest Attorney Loan Repayment Program, and the California State Work-Study Program. The Student Aid Commission also oversees the state's participation in the Federal Family Education Loan Program.

This bill would require that, notwithstanding any other provision of law, no assets held in trust under the Golden State Scholarshare Trust Act by a lower income household, as defined, or any member of that household, may be counted with respect to any means-tested, state-funded student financial aid program administered by the

commission. The bill would specifically reference this requirement in the Cal Grant Act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69432.7 of the Education Code is
2 amended to read:
3 69432.7. As used in this chapter, the following terms have the
4 following meanings:
5 (a) An “academic year” is July 1 to June 30, inclusive. The
6 starting date of a session shall determine the academic year in
7 which it is included.
8 (b) “Access costs” means living expenses and expenses for
9 transportation, supplies, and books.
10 (c) “Award year” means one academic year, or the equivalent,
11 of attendance at a qualifying institution.
12 (d) “College grade point average” and “community college
13 grade point average” mean a grade point average calculated on
14 the basis of all college work completed, except for
15 nontransferable units and courses not counted in the computation
16 for admission to a California public institution of higher
17 education that grants a baccalaureate degree.
18 (e) “Commission” means the Student Aid Commission.
19 (f) “Enrollment status” means part-time status or full-time
20 status.
21 (1) Part time, for purposes of Cal Grant eligibility, is defined
22 as 6 to 11 semester units, inclusive, or the equivalent.
23 (2) Full time, for purposes of Cal Grant eligibility, is defined
24 as 12 or more semester units or the equivalent.
25 (g) “Expected family contribution,” with respect to an
26 applicant, shall be determined using the federal methodology
27 pursuant to subdivision (a) of Section 69506 (as established by
28 Title IV of the federal Higher Education Act of 1965, as
29 amended (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and
30 regulations adopted by the commission.
31 (h) “High school grade point average” means a grade point
32 average calculated on a 4.0 scale, using all academic coursework,
33 for the sophomore year, the summer following the sophomore

1 year, the junior year, and the summer following the junior year,
2 excluding physical education, reserve officer training corps
3 (ROTC), and remedial courses, and computed pursuant to
4 regulations of the commission. However, for high school
5 graduates who apply after their senior year, “high school grade
6 point average” includes senior year coursework.

7 (i) “Instructional program of not less than one academic year”
8 means a program of study that results in the award of an
9 associate or baccalaureate degree or certificate requiring at least
10 24 semester units or the equivalent, or that results in eligibility
11 for transfer from a community college to a baccalaureate degree
12 program.

13 (j) “Instructional program of not less than two academic
14 years” means a program of study that results in the award of an
15 associate or baccalaureate degree requiring at least 48 semester
16 units or the equivalent, or that results in eligibility for transfer
17 from a community college to a baccalaureate degree program.

18 (k) (1) “Maximum household income and asset levels” means
19 the applicable household income and household asset levels for
20 participants in the Cal Grant Program, as defined and adopted in
21 regulations by the commission for the 2001–02 academic year,
22 which shall be set pursuant to the following income and asset
23 ceiling amounts:
24

CAL GRANT PROGRAM INCOME CEILINGS

| | Cal Grant A, C, and T | Cal Grant B |
|---|--------------------------|-------------|
| Dependent and Independent students with dependents* | | |
| Family Size | | |
| Six or more | \$74,100 | \$40,700 |
| Five | \$68,700 | \$37,700 |
| Four | \$64,100 | \$33,700 |
| Three | \$59,000 | \$30,300 |
| Two | \$57,600 | \$26,900 |
| Independent | | |
| Single, no dependents | \$23,500 | \$23,500 |
| Married | \$26,900 | \$26,900 |

*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

| | Cal Grant A, C, and T | Cal Grant B |
|-------------|--------------------------|-------------|
| Dependent** | | |
| | \$49,600 | \$49,600 |
| Independent | \$23,600 | \$23,600 |

**Applies to independent students with dependents other than a spouse.

~~The~~

Notwithstanding any other provision of law and except as provided in Section 19596.4, a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen

participating in the race meeting and without regard to the amount of purses, provided that the total number of tho Notwithstanding any other provision of law, no assets held in trust pursuant to the Golden State Scholarshare Trust Act (Article 19 (commencing with Section 69980)) by a lower income household, as defined in Section 69505.3, or any member of that household, shall be counted toward the amounts set forth in this subdivision.

(3) The commission shall annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. Any applicant who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Prior to disbursing any Cal Grant funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

(l) “Qualifying institution” means any of the following:

(1) Any California private or independent postsecondary educational institution that participates in the Pell Grant program and in at least two of the following federal campus-based student aid programs:

(A) Federal Work-Study.

(B) Perkins Loan Program.

(C) Supplemental Educational Opportunity Grant Program.

(2) Any nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution’s operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the Cal Grant Program for the

1 2000–01 academic year shall retain its eligibility as long as it
2 maintains its existing accreditation status.

3 (3) Any California public postsecondary educational
4 institution.

5 (m) “Satisfactory academic progress” means those criteria
6 required by applicable federal standards published in Title 34 of
7 the Code of Federal Regulations. The commission may adopt
8 regulations defining “satisfactory academic progress” in a
9 manner that is consistent with those federal standards.

10 SEC. 2. Section 69505.3 is added to the Education Code, to
11 read:

12 69505.3. (a) Notwithstanding any other provision of law, no
13 assets held in trust pursuant to the Golden State Scholarshare
14 Trust Act (Article 19 (commencing with Section 69980)) by a
15 lower income household, or any member of that household, shall
16 be counted with respect to any means-tested, state-funded student
17 financial aid program administered by the commission.

18 (b) As used in this section, “lower income household” has the
19 same meaning as is set forth in Section 50079.5 of the Health and
20 Safety Code.